

Weekly Market Bulletin

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From Your Commissioner . . .

The International Year of Family Farming



The United Nations has declared 2014 the International Year of Family Farming (IYFF), with the aim of raising the profile of family farming and smallholder farming around the world. The UN intends to focus world attention on the significant role of family farming "in eradicating hunger and poverty, providing food security and nutrition, improving livelihoods, managing natural resources, protecting the environment, and achieving sustainable development, in particular in rural areas."

The UN Food and Agriculture Organization (FAO) and its Family Farming Campaign are making the case that farmers and agriculture have suffered from being ignored in many, if not all countries. The UN's goal for the 2014 IYFF is "to reposition family farming at the center of agricultural, environmental and social policies in the national agendas by identifying gaps and opportunities to promote a shift towards a more equal and balanced development." By promoting discussion and cooperation at the national, regional and global levels, the UN hopes to increase awareness and understanding of the challenges, and to help identify efficient ways to support family farmers.

The IYFF campaign recognizes the great diversity of family farms and farmers within local regions, countries and across the world. The IYFF defines family farming as including all family-based agricultural activities, and as linked to several areas of rural development. "Family farming is a means of organizing agricultural, forestry, fisheries, pastoral and aquaculture production which is managed and operated by a family and predominantly reliant on family labor, including both women and men," the UN explained in the announcement of 2014 IYFF.

The UN declaration states that family farming has significant socio-economic, environmental and cultural roles, and notes the importance of family farming as the predominant form of food production agriculture in developing and developed countries alike. It points to key factors for successful family farming, including agro-ecological conditions; policy environment; access to markets; access to land and natural resources; access to technology and extension services; access to finance; demographic, economic and socio-cultural conditions; and availability of specialized education.

The International Year of Family Farming honors over 400 million family farms in both developed and developing countries. IYFF will highlight the crucial links between family and small-scale farming and world food security. Family farming also preserves traditional food products, and contributes to balanced diets and safeguarding of the world's agro-biodiversity and sustainable use of natural resources.

Learn more about the United Nations Food & Agriculture Organization and 2014 IYFF at www.fao.org.

Many nations have formed committees to lead national discussions and activities around IYFF. The U.S. executive committee is comprised of 25x25, the Alliance to End Hunger, American Farmland Trust, the Consumer Federation of America, the National Cooperative Business Association and National Farmers Union.

NFU President Roger Johnson has said the U.S. executive committee has adopted policy on family farming and welcomes other organizations across all sectors and interests to join the effort to support family farming. More information about the U.S. committee can be found at www.YearoffFamilyFarming.com.

Nearly all New Hampshire farms are family farms, and according to USDA 96% of the state's farms are small farms. Most of the farms that are not family-owned and operated are institutional or educational farms, such as the research farms at the University of New Hampshire, public and private school farms, the NH Farm Museum and Stonewall Farm, county farms and the state prison farm.

The Hubbard broiler genetics research center in Walpole is an exception—a farm that is now part of multinational corporation Groupe Grimaud. But Hubbard also began as a family farm, founded in Walpole by Oliver and Ira Hubbard 93 years ago.

Lorraine Merrill, Commissioner

Why NH's Tiny Christmas Tree Industry Thrives

Manson Donaghey says there's more to Christmas tree farming than planting and cutting trees.

New Hampshire's Christmas tree farms are mostly very small operations—even by Granite State standards. For a few weekends a year, they make a multimillion dollar dent in the economy, before going back to nurture next year's crop. But this old-fashioned industry has been gradually adapting to new customer demands.

When you visit a Christmas tree farm, you'd think the first thing you'd see is the trees. But at Manson Donaghey's farm in Pembroke, he decides to show me something else first: the kitchen. Where a woman is stationed at the stove, patiently stirring fragrant liquid in a big steel pot. "Well, this is the chocolate factory, I guess," he announces with a big laugh. "Fran Evans, with some help, makes chocolate...constantly, hot chocolate! And is supplemented by homemade cookies that my family and others make—the neighbors help. We need at least three thousand homemade cookies to get by with our customers."

At 88-years old, Donaghey has tree season down to a science. He's been in business since he retired as a high school principal in 1980. Over the three weekends the farm is open, gallons of hot chocolate and thousands of cookies will hit the free refreshment table outside. This is where customers congregate to chat with neighbors and strangers as they take a break from hunting for and cutting down the perfect tree.

"You know, there's a trite saying in our industry, that we don't sell trees, we sell experience. Very trite, but true," Donaghey says.

More so now than when Donaghey Christmas Tree Farm opened more than 30 years ago. That's according to state Agricultural Development Director Gail McWilliam Jellie. "Well, I was just having a conversation with a grower the other day about that, and things have actually shifted from an emphasis on wholesale in past years to more of a choose and cut and retail end of it," she says. And that's great news for New Hampshire's 230 Christmas tree farms. Like most agriculture in the state, McWilliam Jellie says the vast majority of these operations are considered "small farms" by the U.S. Department of Agriculture—bringing in less than \$250 thousand a year. But even by New Hampshire standards, Christmas tree farms are small-scale ag—pumping about \$4 million into the state's economy each year. But she says this tiny industry is part of a much larger awareness among consumers.

"It seems like it's following that whole Buy Local concept. I think it's been over the last 20 years or so, a gradual kind of shift. Thinking about some of the other commodities in the state, it's been along that same line," McWilliam Jellie says. "You know, things have shifted from the emphasis on wholesale, and in the case of food, selling to supermarkets and other retailers, to selling directly to the consumer. And that same trend has taken in the tree industry."

"On the majority of cut your own farms, the sales were going up, no matter what," says Nigel Manley. He directs one of the state's few large tree farms, the Forest Society's Rocks Estate in Bethlehem. He also chairs the New Hampshire Christmas Tree Promotion Board. Even the recession, he says, didn't keep customers away from the farms.

"But that means somewhere, because overall sales national for real trees are going down, so that means somewhere, somebody's losing purchase there," Manley says. "And it'll be some of the retailers, because people are trending more to move to this experience of cutting their own tree."

Back in Pembroke, Manson Donaghey meanders around one of his tree lots. He says there's a lot more to selling a tannenbaum than offering the Norman Rockwell-style trimmings. Although it's a nostalgic trade, you have to anticipate new trends.

Yes, there are style trends in Christmas trees.

That's tough, he says, when he has to plant about 1,200 new trees every April—which won't be sawed for several years.

Donaghey has three separate lots of trees on his property.

"When I started, Scotch Pine was extremely popular. We planted that first. Now, I don't think we could sell a Scotch Pine," Donaghey says. "People don't buy them anymore. There is a turnover, people's taste buying Christmas trees. I think the same reason why they buy different clothes. They read about what's popular, and because they're there!"

If you're not up on the latest fashion in Christmas trees, Donaghey says two varieties are hot right now. Fraser Fir and Canaan (pronounced "kuh-NON") Firs. He's also banking on a new tree developed by his wholesale supplier in the North Country. It's a cross between a Fraser Fir and a Fir Balsam. A Fralsam. But even if Donaghey guesses right, a lot can still happen to hit the bottom line. Rain or moderate snow on weekends don't hurt business much—but a major snowstorm will. Then there's the hard work in the spring and summer, planting, fertilizing, and in rare cases—spraying—trees.

Donaghey estimates that all those months of work by the family adds up to a grand total yearly profit of about...\$10 thousand.

"Besides the brutality of some of the work, you get stung while you're working or whatever, is the great joy we all feel, our euphoria when we open up," he says with a chuckle. "It's hard, we're tired at the end of the day, standing out in the weather and all, but still, it's something I think we wouldn't miss."

NHPR



Crop Insurance News

Whole Farm Revenue Insurance for Family Farms

AGR-Lite (Adjusted Gross Revenue-Lite) is a federally subsidized insurance plan covering multiple agricultural commodities. It offers whole-farm revenue protection. The plan protects against low revenues due to losses attributable to unavoidable natural disasters such as fire, adverse weather and market fluctuations.

AGR-Lite covers revenue losses from most farm-raised commodities, animal commodities, and unprocessed animal products such as milk and wool. It does not cover revenues from added value activities such as creating apple sauce from your apple production. AGR-Lite can be used as a meaningful insurance for NAP (Non-Insured Crop Disaster Assistance Program) crops.

It uses revenue as the common denominator for all agricultural commodities that are insurable. Premiums for AGR-Lite are reduced when it is used in conjunction with other Federal crop insurance plans, such as the corn or apple programs.

If you decide to purchase AGR-lite coverage for your operation for the next year, there are a few steps to determining the guaranteed revenue and your indemnity payment if a covered loss occurs. You'll need:

Five-years of adjusted gross revenue (Schedule F or equivalent tax form for each of the five years)

Your intended/estimated production and revenue for the 2014 tax year

To select the coverage level (65, 75, and 80 percent) that will determine when indemnity begins; and,

To decide on your payment rate (75 and 90 cents/dollar) which tells you how much you will be paid for each dollar lost under the coverage level.

For example, if your adjusted revenue is \$120,000, and you selected a coverage level of 75 percent and payment rate of 90 cents per dollar loss, then indemnity payments will trigger when the revenue is less than \$90,000 (\$120,000*0.75) and, for every dollar under \$90,000, you will receive a payment of 90 cents. If your 2014 income was only \$70,000, lost revenue covered is \$20,000. At the 90 cent per dollar payment rate, your indemnity will be \$18,000 (\$20,000*0.90). If you have a total loss, your indemnity will be \$81,000 (\$90,000*0.90).

The closing date for enrollment in the AGR-Lite is March 15. Contact your local insurance agent for information about any crop insurance program. A list of crop insurance agents is available from your local USDA Farm Service Agency office or on the Risk Management Agency web site: <http://www3.rma.usda.gov/tools/agents/>.